

COMMON INTEREST COMMUNITY BOARD

MINUTES OF MEETING

The Common Interest Community Board met on Tuesday, March 2, 2010 at the Department of Professional and Occupational Regulation (DPOR), 9960 Mayland Drive, 2nd Floor, Board Room 4, Richmond, Virginia 23233.

The following members were present:

F. James Ahlberg
Pamela Coerse
Ronda S. DeSplinter
Kimberly B. Kacani, Vice Chair
Douglas Kleine
Milton W. Matthews
R. Lee Merritt
Scott Sterling
Miyun Sung
Lucia Anna Trigiani, Chair
Katherine Waddell (arrived at 10:58 a.m.)

DPOR staff present for all or part of the meeting included:

Jay W. DeBoer, Director
Mark N. Courtney, Deputy Director of LRD
Trisha L. Henshaw, Executive Director
Thomas K. Perry, Property Registration Administrator
Betty C. Jones, Administrative Assistant

Steven Jack from the Office of the Attorney General was present.

Finding a quorum of the Board present, Ms. Trigiani, Chair, called the meeting to order at 9:44 a.m. **Call to Order**

Ms. Trigiani introduced the newest Board member, Miyun Sung, who was appointed to serve as a citizen member. **Introduction of New Board Member**

Ms. Coerse moved to approve the agenda as revised. Mr. Kleine seconded the motion which was unanimously approved by: Ahlberg, Coerse, DeSplinter, Kacani, Kleine, Matthews, Merritt, Sterling, Sung, and Trigiani. **Approval of Agenda**

Ms. Kacani moved that the Board approve the minutes of the December 10, 2009, meeting. Mr. Merritt seconded the motion which was **Approval of Minutes**

unanimously approved by: Ahlberg, Coerse, DeSplinter, Kacani, Kleine, Matthews, Merritt, Sterling, Sung, and Trigiani.

Ms. DeSplinter moved that the Board approve the minutes of the January 14, 2010, Manager Regulatory Review Committee meeting. Ms. Kacani seconded the motion which was unanimously approved by: Ahlberg, Coerse, DeSplinter, Kacani, Kleine, Matthews, Merritt, Sterling, Sung, and Trigiani.

Ms. DeSplinter moved that the Board approve the minutes of the February 25, 2010, Manager Regulatory Review Committee meeting. Ms. Kacani seconded the motion which was unanimously approved by: Ahlberg, Coerse, DeSplinter, Kacani, Kleine, Matthews, Merritt, Sterling, Sung, and Trigiani.

Ms. Trigiani opened the floor for public comment. No members of the public present requested to speak.

**Public Comment
Period**

Ms. Henshaw gave an update on the regulatory review process.

**Update on
Regulatory Review
Processes**

- Final Manager Regulations, that will replace the emergency Manager Regulations, were published in the Virginia Register on February 1, 2010, and become effective April 1, 2010. These regulations provide for approval of common interest community manager training programs.
- The Common Interest Community Ombudsman Regulations are undergoing review by the new Secretary of Commerce and Trade and then the Governor's office.
- The Common Interest Community Manager (Employee Certification Regulations) are currently in the Notice of Intended Regulatory Action stage. These regulations are being developed by Committee. Once adopted by the Board, they will be filed as proposed regulations.

To aid in advising interested parties of the new training program requirements, staff has placed an article in the newsletter of the Virginia Real Estate Board, *VREB Speaking*, entitled "New Requirements for Common Interest Community Manager Training Programs."

Ms. DeSplinter updated the Board on the progress of the Regulatory Review Committee's work to draft common interest community manager employee certification regulations. Ms. Trigiani requested any additional comments or changes Board members may have regarding

**Update from
Regulatory Review
Committee for CIC
Manager (Employee**

the draft regulations be sent to Ms. Henshaw before the March 29th Committee meeting. Ms. Henshaw noted that the draft text includes requirements related to completion of fair housing training as offered by the Fair Housing and Real Estate Boards. This provision was included as a result of comment received during the Notice of Intended Regulatory Action public comment period.

Certification)
Regulations

Ms. Henshaw advised the Board that a Code citation in the regulations needed to be amended as a result of a change in statute from the 2009 General Assembly session. Because the amendment to the regulations was necessitated by a statutory change, Ms. Henshaw indicated the change could be accomplished through an exempt action in accordance with regulatory review guidelines. After review, Ms. DeSplinter moved to authorize staff to proceed with filing an exempt action to amend the Common Interest Community Manager Regulations as indicated in the draft document. Mr. Kleine seconded the motion which was unanimously approved by: Ahlberg, Coerse, DeSplinter, Kacani, Kleine, Matthews, Merritt, Sterling, Sung, and Trigiani.

Authorize Exempt
Action for Common
Interest Community
Manager
Regulations

As requested at the December 10, 2009, Board meeting, the Board was provided with the draft Guidance Document 1 for Bonds/Insurance Policy for Common Interest Community Manager Applicants prepared by staff. Mr. Kleine made a motion to approve the form as revised. Ms. Coerse seconded the motion which was unanimously approved by: Ahlberg, Coerse, DeSplinter, Kacani, Kleine, Matthews, Merritt, Sterling, Sung, and Trigiani.

Review of Guidance
Document for
Bonds/Insurance
Policy for CIC
Manager

As requested at the December 10, 2009, Board meeting, the Board reviewed a draft Guidance Document 2 for Bonds/Letters of Credit for Condominiums prepared by staff. Previously, draft Guidance Document 2 included the provisions for bonds/letters of credit for both condominiums and time-share registrations. Since that meeting, draft Guidance Document 2 was amended to include only those provisions that apply to condominium registrations. Draft Guidance Document 3 was developed to include those provisions applicable to time-share registrations. The Board discussed several items for amendment and further research to the document. Ms. Henshaw indicated that staff would revise Guidance Document 2 for bonds/letters of credit for condominiums in accordance with the Board's comments. The revised document would be presented for consideration at the next Board meeting.

Review of Guidance
Document for
Bonds/Letters of
Credit for
Condominium
Registrations

Ms. Trigiani advised that staff develop a separate guidance document for letters of credit to secure deposits (in lieu of escrowing deposits) and bonds to ensure completion of improvements for condominiums.

Ms. Trigiani suggested staff develop a system for tracking letters of credit and bonds for condominiums to include when they are returned or cancelled.

Ms. Trigiani requested any additional comments or changes Board members may have be sent to Ms. Henshaw before the next Board meeting. The Board deferred further discussion until its next meeting.

Ms. Waddell arrived at 10:58 a.m.

Arrival of Board Member

The Board recessed at 11:04 a.m. and reconvened at 11:29 a.m.

Break

The Board reviewed a draft Guidance Document 3 for Bonds/Letters of Credit for Time-Shares prepared by staff. The Board discussed several items for amendment and further research to the document. Ms. Henshaw indicated that staff would revise Guidance Document 3 for bonds/letters of credit for time-shares in accordance with the Board's comments. The revised document would be presented for consideration at the next Board meeting.

Review of Guidance Document for Bonds/Letters of Credit for Time-Share Registrations

Ms. Coerse addressed the Board with several concerns: out-of-state time-share registration requirements and regulation of time-share resale companies. It was acknowledged that some of these areas would require a legislative change.

At the December 10, 2009, Board meeting, the Board requested that an outreach plan be developed. Ms. Henshaw discussed a draft outreach plan that was developed to increase awareness of both the common interest community manager license requirements and the common interest community registration requirements.

Discussion Regarding Outreach Plan

The Board recessed for lunch from 12:04 p.m. to 12:40 p.m.

Lunch

The Board continued its review of the draft outreach plan. The Board made a number of suggestions and revisions to the document. Ms. Henshaw indicated that staff would revise the outreach plan in accordance with the Board's comments. The revised document would be presented for consideration at the next Board meeting.

Discussion Regarding Outreach Plan

Ms. Trigiani suggested Ms. Gillespie develop a similar outreach plan for the Ombudsman's office for presentation to the Board.

Ms. Trigiani provided an overview of legislation that was considered

Legislative Update

during the 2010 Virginia General Assembly session as it pertains to common interest communities.

Ms. Henshaw provided a revised copy of the statistical information on common interest community applications and licenses, including the number of new applications filed, percentage of applications received, current regulations, and the regulant population for January 2010. A new section has been added pertaining to the number of telephone calls and e-mail messages received in the Board office.

**Licensing/
Registration
Statistics**

Ms. Henshaw presented to the Board the most recent financial statement for informational purposes.

**Board Financial
Statements**

The Board previously requested that staff compile a calendar of the common interest community-related events and dates that staff and the Ombudsman's office attends. The requested information was provided to the Board with the agenda package for information purposes only.

**Staff Event
Calendar**

The Board members were reminded to complete their conflict of interest forms and travel vouchers.

**Conflict of Interest
and Travel Voucher
Forms**

There being no further business, the meeting was adjourned at 2:06 p.m.

Adjourn

Lucia Anna Trigiani, Chair

Jay W. DeBoer, Secretary